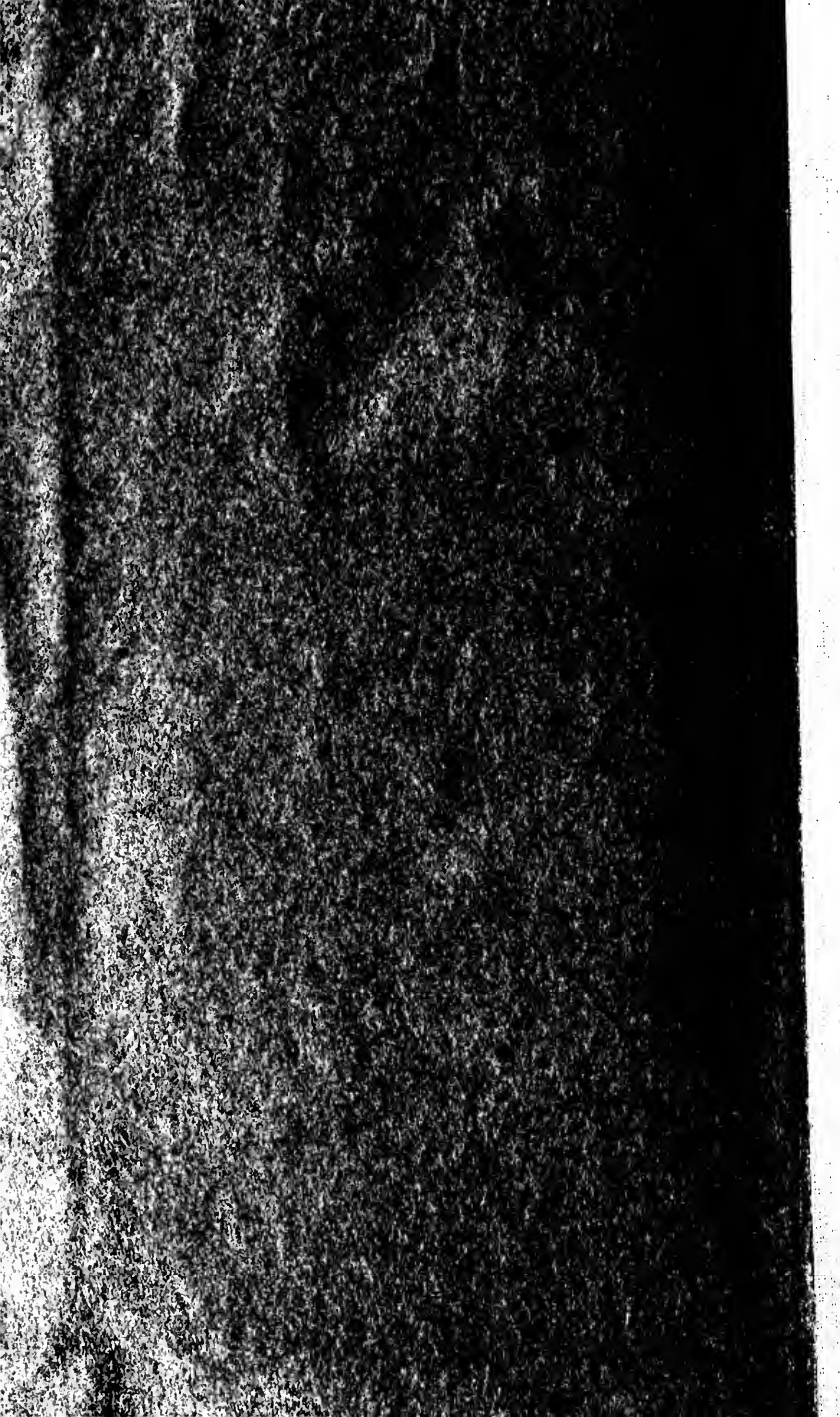


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HINTS

ON

PRACTICAL POLITICAL ECONOMY,

IN

TWO LETTERS,

TO

THE COUNTRY BANKERS,

AND THE

LANDED INTEREST.

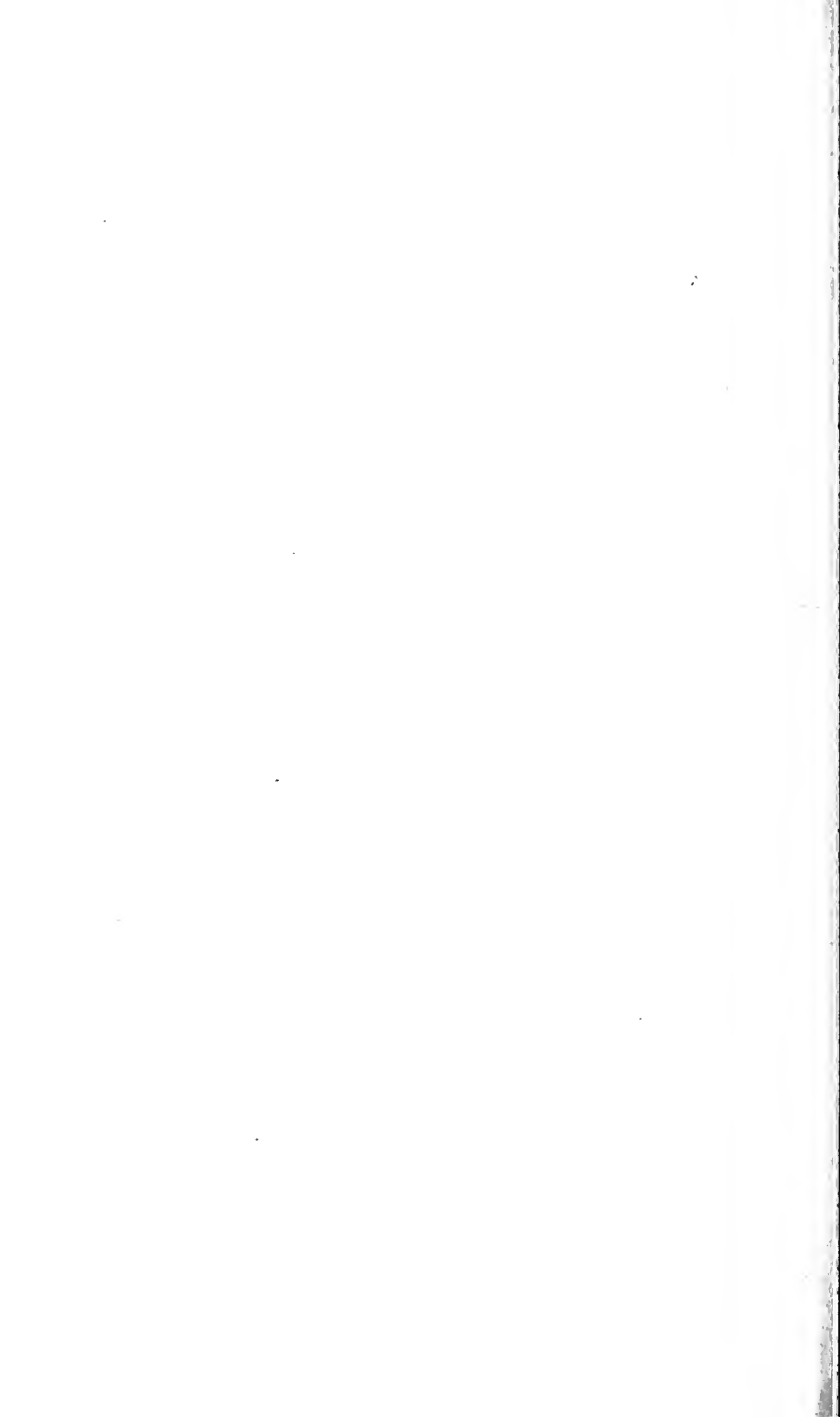
BY

JOHN WRIGHT, ESQR.

Nottingham :

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1828.



TO
COUNTRY BANKERS.

GENTLEMEN,

I presume to offer to you the following hints, because I am sure you will agree with me, that they are on subjects pregnant with the most important national consequences, and in these days of the wildest theory, are deserving of the consideration of all, and especially of those who are so deeply interested in them as you are.

In January, 1826, I sent the following to the Earl of Liverpool:—
“ The late panic placed the Banking and Mercantile world in so tremendous a situation, that it is a paramount duty in every one to point out any measure that would effectually prevent its recurrence. I shall, therefore, take the liberty of repeating, what I had the honour of transmitting to your Lordship in 1820, and I will venture to affirm, that had the plan I therein advocated (or even only the third proposition) been carried into effect, the late crisis could not have happened.

PLAN FOR THE CIRCULATING MEDIUM.

“ 1st. That the Bank should be *obliged* only to pay in bullion at £3. 17s. 10½d. per oz. Mr. Ricardo has established, that bullion is all that is requisite, as *the standard measure of value of the country*, as well as for our foreign commerce.

“ 2d. That sovereigns should be issued at £4. per oz. ; they would not then be sent out of the country,” or melted, as I am told, they now are by the manufacturers of Birmingham.

“ That bank notes should be made a legal payment, except in the city of London—and there is no sound reason in law or practice against it.”

A few days after this, his Lordship sent his most unfounded and vituperative letter to the Bank, on which I again addressed the following to his Lordship:—

“ MY LORD,

“ I take the liberty of offering to your Lordship a few remarks in behalf of Country Banks. Though the distress and panic of the late crisis were principally caused by the failure of the London Banks, and thence extended to the Country Banks, yet the latter are most undeservedly made the *scape goat* for the former. If your Lordship were desirous to throw the blame somewhere, there was a party who more prominently deserved every reprehension—I mean those panders to the mischief, the Contractors for Foreign Loans, and the *Directors* of the foolish and preposterous schemes that were set on foot; and when we find amongst them, those whose names carried conviction of success and respectability, what do such men deserve, who, in acting only as *decoy ducks*, enticed the unwary into their net, and then left them in the lurch? And are Country Bankers, to bear the odium, when I do not believe that one-twentieth of the subscriptions were obtained in the whole kingdom, distant 40 miles from London, where they all originated? Mr. Baring * is represented as saying, that “ Country Bankers did not regulate their issues by any principle—their object was to *saturate* the country with paper; and this they “ did with great success on market days, and without reference to the rate “ of Foreign Exchange, a circumstance productive of the greatest evil.” —I can only reply to this, that *saturation* would much more justly apply to the Bank of England, and though there may be weak and imprudent Country Bankers, yet those he represents must have been as foolish as the pigs of Cork, who, I heard a recruiting serjeant declare, ran about the market with knives in their mouths, crying, “ eat me, eat me.” To the charge of not attending to the Exchanges, I must assure your Lordship, I believe it to be true to the fullest extent, and for the very best reason, viz. that they have nothing to do with the subject; and though your Lordship is impressed by the Cambists and Capitalists, that it is of consequence that they should do so, yet it appears to me that the amount of bank notes has nothing to do with the matter, for whether Exchange is high or low, depends, as the price of all other articles does, on supply and demand; when Foreign Bills are scarce, they are dear; when plentiful, cheap; and would your Lordship lay aside the influence these

* I presume the same Mr. Baring, who, eight years ago, declared in the House of Commons, “ The Landed Interest must be reduced, and I will pull the tocsin of alarm if any thing is done to protect it,” two most pernicious declarations; but he is a great Capitalist.

gentlemen have had upon you, whose doctrine has frequently caused trouble to the Bank and the Mercantile world, I think you would see the matter in another light. That there has unfortunately been excess in Trade and Commerce, I allow (and who can wonder, stimulated as it was by the Government), which time will relieve ; but Country Bankers have had little share in promoting it ; for London, Liverpool, and Manchester (where Country Bank paper is not issued), have been the focus of it : but in every point I deny that excess in paper, as a Circulating Medium, has ever existed, for the amount of it is exactly, neither more nor less, than the trade and labour of the country requires. This is proved at this moment, for at least one third of what it was eight months ago, has retired into the coffers of the Banks, because the trade and the wages of the country do not require it. Yet so ignorant was Mr. Caning on the subject, that he accused Country Banks of a design to distress the country by the reduction.

“ As Mr. Tooke’s book has been frequently quoted, I remark that the inference he draws, that the amount of the Currency governs the price of Corn, is putting cause for effect. When Corn is cheap, less Circulating Medium is wanted to buy it, and there is of course less afloat, and the reverse of what Mr. Tooke states, is the fact, viz. that the price of Corn governs the quantity of Circulating Medium.

“ The remarks I would offer on your Lordship’s present intentions, are—

“ 1st. In doing away with the small notes, how desirable soever it may be, you will take away the amount of at least six millions of capital, which has been afloat for years, almost entirely for the use and accommodation of the trade of the country ; for your Lordship must be aware, that sovereigns will not afford any assistance to it ; the Manufacturers and others will also be burthened with the extra expense of providing sovereigns from London, for the payment of wages, and the much greater difficulty of procuring discounts. Can the trade of the country bear this deprivation of capital, and increased expense ?

“ 2d. How is it that the issue of small notes is *bad* for England, but *good* for Ireland and Scotland ; and if good for the latter, why not for the former ? Is Ireland and Scotland then to be fostered in preference to our English Traders ?

“ 3d. The Bank of England will have a much greater responsibility thrown upon them, in providing and keeping up so increased a necessity

for sovereigns. And in the case of future alarms and panics, arising from war or tumults, or any other cause, would be called upon to a much greater extent than they have lately been ; and nothing can insure the safety of the country in such times, but the making the notes of the Bank of England a legal tender for the payment of £5. and upwards, out of the district in which they preserve their privilege. This measure would lessen the necessity for the increase of sovereigns, and would tend not only to the complete security, but to the very great profit of the Bank.

“ 4th. It will be a bold measure in the Bank of England to institute Branches—if, as they ought, and in a crisis they must at their peril, find gold for all the notes offered them, though issued in London ; besides, I should doubt it answering to them, clashing, as it must do, with the present establishments.”

How little effect these letters produced, is evident from the increased hostility and enmity which were shewn, not only by his Lordship, but by the acts of the Government to Country Banks ; with what knowledge or Statesmanlike prudence or justice may be questioned, when it was to depress and bring into disgrace a body so useful and necessary to the country, who possessed property to the extent of fifty millions, a large portion of which was advanced to the support of Trade and Manufactures, and whose returns were upwards of 300 millions per annum.

That his Lordship's letter to the Bank, and the consequent acts of Government, proceeded from alarm, and ignorance of the real cause of the crisis, there can be no doubt, and viewing, as they were led to believe, that a suspension would have been a calamity, it was not to be wondered at, when they found the Bank reduced to pay in half sovereigns, to issue £1. notes they had determined to give up, and to be hunting through all the London Banks for all their small notes they could get, and within twelve hours of a stop ; but the query is, whether, if the suspension had then taken place, it would not, as in 1797, have led to the advantage of the country, rather than to that state of barter so ignorantly predicted by Mr. Huskisson, and saved three millions per annum, which the present and former measures on the Circulating Medium are taking from us.

I am, Gentlemen, with much esteem, very sincerely yours,

JOHN WRIGHT.

Lenton Hall, near Nottingham, March 6, 1828.

ON CIRCULATING MEDIUM.

A Circulating Medium is only a sign of wealth ; and whether these signs are made of paper, convertible into gold, or of gold, they are of the same value. The arguments that have been promulgated by the Bullionists, on this subject, are—

1st. That our Circulating Medium of paper, during the war, was in *excess*.

2d. That the excess caused it to be depreciated in value—raised the price of articles of consumption, and unhinged the state of debtor and creditor.

3d. That the Bank ought to curtail its issues, when Exchange is below par. And,

4th. That Country Bank Notes ought to vibrate with the variations of the amount of Bank of England Notes.

All of which I contend are founded in error, and lead to false conclusions, highly detrimental to the interests and security of the country.

First—I say, that though the trade and manufactures of the country may be in excess, producing more than is wanted, a Circulating Medium of paper never can be, for its amount is regulated by the price of the articles of consumption, and by the demand for the trade and wages of the country, which price is governed by the relative proportions of supply and demand ; for when the latter exceeds the former, prices must be high, and *vice versa*.

An excess of Circulating Medium in paper can only exist for a few days at a time, for were the Bank of England or any other Bank to issue notes for a particular purpose, if the trade of the place where they were issued did not require them, they would either force out of circulation the same amount in other paper, or would immediately return to the issuers, for who will keep paper, or go to a bank for it, if it is not wanted ?—The failures in Ireland, in 1820, prove the accuracy of my opinion, that the amount of paper in circulation was not excessive ; for had it been so, the failures would only have taken away that which was not wanted. The necessity of the case demanded that Government should assist the trade of that country with 500,000*l.* in bank notes, to supply the place of the local notes. Had the Banks in Ireland been obliged to pay in gold, the alarm would have produced the most tremendous effects ; notes of

every description would have been refused, and large additional supplies of gold would have been also necessary, to provide against the *hoarding* the alarm would have occasioned.

Now a Circulating Medium of gold may be in excess, for gold being of no value but in its use, and its supply being uncontrouled, the holders of it are anxious only to get quit of it, and it must come to market at a lower price when it is in excess; while if any excess happens in paper, it immediately and quietly returns to, and remains in the coffers of the banks, and the public are not aware of its subtraction from the amount in circulation. If gold is hoarded either by individuals or Country Banks, it is totally unproductive; but paper must be productive, for the issuer reaps the interest, and Government the tax on it. Is not the latter, therefore, most desirable as a Circulating Medium, which is cheap, convenient, and productive, while gold is not so convenient, most expensive, and unprofitable? While paper, besides its superiority even in use, will produce to the nation a saving over gold of at least three millions per ann.

On the 2d, I contend, that our war expenditure and war trade, by the employment of the people at high wages—by the increase of the value of property, and by the great profits which they afforded, had induced such a luxurious mode of living in every class, that the demand for all articles of consumption was so great, extended as it was by our increased population, that it was only by the greatest exertions they could be supplied, *and that high prices were consequent*; and that the depreciation, as it is called, of our Circulating Medium, by its being in excess, had no effect on price. And I also contend, that all the corollaries down from it are equally void of foundation; for, on all points, they put the *effect* for the *cause*.

When from the great exertions of every State in Europe, the value of gold rose, it certainly had the effect on all our *foreign* relations; but where is the proof that it had the least effect on our internal commerce? How was the relative situation of debtor and creditor unhinged?—A. borrowed £10,000. in 1813, and received the amount in bank notes, representing gold at 3*l.* 17*s.* 10½*d.* per ounce, and in 1823 he repays the money with bank notes of the same value: where is the hardship? Not to A. certainly; while the lender may truly say, you took my money while it was worth 5 per cent.; now it is only worth 4 per cent.; therefore I am a loser equal to 20 per cent. on my capital. The bank note at the highest price that gold ever arrived at, represented exactly

what it represents now (viz.) gold at 3*l.* 17*s.* 10½*d.* per ounce; and the only good these gentlemen have done, in return for the depreciation, alarm, and delusion, they have inflicted on the country, is, that they have attempted to fix that sum as the measure of value of our coin and bank notes: this certainly would be desirable, but they must be aware that the same circumstances as heretofore may recur, by which the price of gold may be raised to 5*l.* per ounce; in which case it is absurd to suppose that the Bank could continue to pay in gold at the standard price. I therefore assert, that the return to Cash Payments occasioned no part of the depression then complained of, but which may come if the present plans are carried into effect, when forty millions of the capital of the country is made unproductive by the purchase of gold. When the incalculable loss that may be sustained by the want of capital for the employment of labour takes effect—when the large supply by the tax on notes is cut off—and when those in the Manufacturing districts must pay an additional charge for the risk, the trouble and the expense of providing gold for the payment of wages—the Saving Banks have probably taken also ten millions from the current capital of the country.

On the 3d—It is with diffidence I enter on the subject of Exchange, for I cannot comprehend why it is so imperatively contended, that when it is below par the Bank and Country Banks also, ought and must lower their issue of paper, though by so doing they would paralyse every operation of the trade and commerce of the country, for a low Exchange must cause a greater demand for articles of export. Let us try the truth of this position by the test of common sense. Though it is not stated at what point the Bank ought to begin to lower their issues (I will suppose it may be at 3 per cent. and the Bank proceed on this plan), now, as a Country Banker, one of my customers, a manufacturer of iron, who has usually had 500*l.* a week to pay his workmen, comes to me, and says, “Exchange with Paris is 5 per cent. below par, we have great demand for iron, and I shall want 705*l.* per week”—now am I to say, my friend, you quite mistake the matter; the low rate of Exchange has caused the Bank to lower their issues, and the Great Dons tell me prudence obliges me to do the same—I, therefore, can let you have only 250*l.* per week, thus adding to the distress and alarm occasioned by the Bank lowering its issues. Or shall I follow my own idea, not only of what is due to him, but to the country, and let him have the 750*l.* and also tell him I shall be glad when he will want 1,000*l.*? Neither can I com-

prehend how Exchange is affected by the amount of bank notes in circulation: for whether Exchange is high or low, depends, as the price of all other articles does, on supply and demand. When Foreign Bills are scarce, they are dear; when plentiful, cheap. If our merchants have one million to pay to foreigners, they must pay it whether bank notes are plentiful or scarce; and the Bank lowering their issues, is only throwing difficulties in their way, as they did at the crisis.

On No. 4, I contend, that though they must vibrate from the same cause (the demand), no Country Bank need govern its issues by those of the Bank; for suppose the Circulating Medium of the country to be twenty millions, divided equally between the Bank and the Country Banks, and that the former swayed by the reasoning of the Bullionists, and on exchange becoming below par, lowers its issues to eight millions; the Country Banks, not governed by such reasoning, but by the increased demand of the trade of the country, will increase their issues to twelve or fourteen millions; and distressing, indeed, would it be to trade, if they do otherwise. And it appears to me, that the issues of the Bank of England ought to be governed by the same principle; and all that they, or at least Country Banks have to look to, is the responsibility and prudence of their customers, and that Exchange would be *easily* regulated by the bullion kept by the Bank.

In 1797, in order to check the increasing pressure, the Bank most injudiciously diminished their notes from eleven to under nine millions, which, so far from effecting any relief, only accelerated the evil; the run was not in the slightest degree slackened.—Not having gained wisdom from experience, they repeated this ruinous plan before the late crisis, reducing their notes, in a few months, to the enormous extent of six millions, which was one great cause of its virulence. If, instead of reducing their notes before the crisis, they had increased them, as they did after it, to the extent of eight millions, they would have prevented it.

Is it possible that there might be a sinister plan to attack Country Banks, and to bring on the crisis?—If so, the time chosen was most auspicious, when Consols and other Stocks were shut, and when money was drained for the payment of dividends. Was the previous reduction of bank notes to the extent of six millions a part of this sinister measure? Why was so very large a quantity of sovereigns sent abroad previous to the crisis, which were returned on the crisis being obtained? Why was it so repeatedly said in that year, “Money is so plentiful, nothing can be

made of it. Would it not relieve us if the small notes of Country Banks were put a stop to?" And why were Country Banks assailed in such unmeasured terms of obloquy, and the whole blame of the crisis thrown on them, if it was not in the hope of annihilating them? while even during the crisis there probably was a very large balance due to the Country Banks from their London Bankers.

ON THE USURY LAW.

(Sent to the EARL of LIVERPOOL, in February, 1826.)

I hope your Lordship will pardon the intrusion on your valuable time, if I proceed in re-stating my opinion on another subject of vital importance, as regards the morals, as well as the policy of the country. The following is the statement I made five years ago :—" Mr. Sergeant Onslow " has given notice of his intention to move for an alteration in the Usury " Law, and in so far as he wishes to soften the excessive penalties, I " agree with him ; but I must enter my strong protest against his inten- " tion of laying the interest of money entirely open, and without restraint. " The lenders have, at present, a sufficient advantage over the borrowers ; " and in ancient Rome we have abundant proof of the injustice and " tyranny which were inflicted by Patrons over their Clients, by the " abuse of this power. And should difficulties arise, it might lead to " the same results, as well as add to the expense of raising money for the " country, which it is the duty of the Government to prevent."

As notice is again given for it, I cannot refrain from saying, that in reference to the late panic, which is laid hold of as being in favour of the measure, that it is exactly the reverse ; that no reasoning on sales of any commodity can apply to Interest ; and that had the Usury Law been repealed, such scenes of oppression would now be in existence, as are past all conception.

When we see even the Bank of England taking advantage of the pressure, and raising their charge to the utmost limit the law allowed them, what would have been the extent of the demands of private Banks and Capitalists? Had not the law kept them within bounds, they might immediately have charged 20 per cent. ; following the advice in the Play,

“ If your debtor is very much distressed, why then you must charge him “ double,” thus destroying that kindness which now so often is shewn to a debtor, and converting Capitalists into tyger cats, watching every opportunity to pounce on their prey.

My Lord, when this matter was first broached, led away by the delusive doctrine of abstract rights, I became a convert to it ; but the consideration of twenty years has converted me into the greatest enemy, not only to it, but to all the laws which have originated, or are in train to flow from that principle.

Why is not money to be as free as any other commodity ? Why are artizans to be punished for combinations ? Why are they also to be kept at home, when gentlemen can go abroad at pleasure ? And why is machinery not to be exported ?—Why ? Because the public good requires it ; and legislating on these abstract rights is, I fear, plunging the nation into distress and ruin ; for the suffering inflicted by the repeal of the Combination Laws will be trifling in comparison of that which the repeal of the Usury Law will occasion. And when it is said, why are we not to go to the cheapest foreign market for articles we ourselves produce ? I answer, because it would be transferring our riches to the poor country, and disable us from meeting the Debt of 800 millions, which high wages and high profits will enable us to bear with ease.

ON BRANCH BANKS.

I have before touched on this subject. The following are the unanimous resolutions passed at the meeting of Country Bankers—

(Sir JOHN WROTTESELEY, Bart. M.P. in the Chair.)

“ That this meeting disclaim every sentiment of hostility to the Bank of England, upon its original principles, being firmly persuaded that the Bank of England, and the various other banking establishments of the kingdom have, together, long been found to promote the interests of the public, and to afford a salutary check upon each other.

“ That the late measures of the Bank of England, in the establishment of Branch Banks, have the evident tendency to subvert the general banking system that has long existed throughout the country, and which has grown up with, and been adapted to, the wants and conveniencies of the public.

“ That it can be distinctly proved, that the prosperity of trade, the support of agriculture, the increase of general improvement, and the productiveness of the National Revenue, are intimately connected with the existing system of banking.

“ That the Country Bankers would not complain of rival establishments, founded upon equal terms; but they do complain of being required to compete with a great Company, possessing a monopoly and exclusive privileges.

“ That should this great Corporation, conducted by Directors who are not personally responsible, succeed by means of these exclusive advantages, in their apparent object of supplanting the existing banking establishments, they will thereby be rendered masters of the circulation of the country, which they will be enabled to contract or to expand, according to their own will; and thus be armed with a tremendous power and influence, dangerous to the stability of property, and the independence of the country.”

I fear the country is not aware of the truth and force of these resolutions, which must carry conviction to every thinking mind. When the Bank declare, that it is their object to have the power of governing the circulation of the whole country, on principles too, which I trust, I have proved, must be dangerous to it, as well as to themselves. I cannot but say to the Country Bankers, that as they have the power, it is their duty not only to themselves, but to the public, to stem so dangerous an intrusion.—A note of the Bank of England has ever been held in the highest estimation by Country Banks as their ally, and sorry shall I be to see the day when this feeling is to be changed into one of rivalry; but if the Bank Directors, goaded on to this injudicious measure by unfounded alarm and invective, are determined to persist in it, and throw down the gauntlet of defiance—they must take the consequence, and be made to rue the day they invaded the province of their best customers, who always have millions in their notes in possession, and are the circulators of tens of millions of them. And I have no hesitation in saying, in this case, that a rival establishment would not only be highly beneficial to the Country Banks, but also to the whole country. Let the Bank Proprietors consider this, and they will find, that if the plan I recommended to Lord Liverpool, in 1820, is adopted, that it will be much more beneficial to them than the Branch Banks ever can be (which at present are a very great expense to them), will protect them against

any severe or sudden run upon them for sovereigns, and place them on a rock of safety, in comparison of the feverish state their present plans must bring on them.

REDUCTION OF THE FIVE PER CENTS.

Published 1823.

This much boasted of, and highly extolled measure, I can only compare to the act of one who cares not how much he burdens his estate in future, so that his present wants are supplied.

No one can doubt that if, instead of the terms given, the holders had been offered £4. 6s. 8d. per cent. per annum, for seven years certain, they would have consented to it: by which the country would have saved eight millions given to them in additional capital. The country is thereby burdened for ever with eight millions of increased debt, for an annuity of £213,000. per annum, for seven years. While, had the bonus of a higher interest, instead of an increased capital, been resorted to, there is little doubt that the £4. 6s. 8d. might have been reduced to 4 per cent. at the expiration of seven years.

I mention this as one of the effects of the new system of depreciation, to which the Ministers are obliged to consent, in order to gain the power of reducing the taxes the paltry sum of £213,000. per annum, for seven years.

The same views also induced the alteration of the *dead weight*, as it is called. How much more noble would it been to have borne our own burdens, than thus to have thrown them on our children!

Let it not be supposed that I plead against the reduction of taxation, or economy; all I wish to shew is, that such a reduction is of little use to the country, for what has it done? It takes 16s. per cent. per annum from A. the holder of 5 per cents. and gives it to B. both subjects of the same country—and the benefit B. receives is countervailed by the reduced power of A. to encourage the trade and the agriculture of the country. And how desirable soever it may seem to lower the interest on the National Debt, this must always be the effect. You reduced A. who is your best customer, and give it to B. who may only spend it in necessities, and thus the taxes are rendered unproductive, and trade decreases.

SMALL NOTE ACT.

Published 1823.

This Act of a few lines, I will venture to say has done more for the country, than any Act that ever before was passed on this question. It is a subject for exultation, for it is the triumph of sound sense and true political economy, over the vagaries of the Bullionists, by allowing, that a circulating medium of paper is equal in value to one of gold; and by it, it has ensured to the country a saving of three millions per annum; not by taking that amount from A. and giving it to B. but an actual saving, or profit to that amount, distributed over the whole country, and not out of the pocket or at the expense of any one.

The triumph would indeed have been complete, had this Act passed, as it was first introduced into the House, for it contained the clause I have for years advocated the necessity of, viz. that Country Banks should only be *obliged* to pay their notes in those of the Bank of England. The Bullionists, still true to their theory, oppose and erase it, but why the Ministers should give up, what they must have been convinced was right, or they would not have introduced it, it is past all conjecture to account for. Can it be supposed that I proposed the measure only for the benefit of the Country Banks? By no means; but to ensure the Nation from ever suffering from the alarms that ignorant demagogues might raise in the country; for what advantage is it to a Country Banker to keep £5,000. in his chest in bank notes, rather than in sovereigns? for the one are just as easily procured as the other; the only benefit to him is, that the trouble and risk in bringing notes from London is less, besides the rebutting of alarms, and reducing the demand for sovereigns to be *hoarded*.

ON TAXATION.

The following is an extract from a letter I wrote to the Earl of Liverpool, in February 1822, enclosing my remarks on the Agricultural Report:—

“ The great point would be, to establish a *Property Tax* of 10 per cent. to which the Landed Interest could never be expected to agree

“ unless they received a bonus ; and I feel assured, that the following
 “ mode of proposing it would be *efficient* and *equitable*, and ought to
 “ be conciliatory to the Landed and Trading Interests, as well as to the
 “ Fund-holder, who could not reasonably complain of it ; for, while the
 “ two former classes have suffered, since the peace, a depreciation of their
 “ property of full 20 per cent. the latter have received an advantage to
 “ that amount in their principal, and also of 10 per cent. on their ex-
 “ penditure.—I should therefore say to the Fund-holder, to prove such
 “ a tax equitable and desirable to him—‘ A tax of 10 per cent. on your
 “ ‘ dividend, is much less than half per cent. on your capital, which by
 “ ‘ the tax will be very considerably increased.’ To the Landed Interest
 “ I should say, ‘ Besides the depreciation which so heavily oppresses
 “ ‘ you, you have borne for a century, with exemplary patience and
 “ ‘ loyalty, the *partial pressure* of the Land Tax, and also of the Poor
 “ ‘ Rates, for you were burthened with them, when land was every thing,
 “ ‘ and money nothing ; consent then to a Property Tax of 10 per cent.
 “ ‘ and you shall be relieved from the *Land Tax*, and where it has been
 “ ‘ redeemed, the amount shall be returned to you in 3 per cents.’ And
 “ as a bonus to the Mercantile classes, I should propose to take off the
 “ Stamp Duties on receipts, bills, and notes, while the Country Banks
 “ may be made to pay as much larger a tax for their licences as would be
 “ equal to the present one, on their circulated notes. The tax should be
 “ levied on these classes, by charging it on the amount of their *capital*,
 “ at 5 per cent. so that every £1,000. (the interest on which being £50.)
 “ would be charged with £5. This mode would probably ensure to
 “ Government even more than it ought to expect, as men in trade would
 “ be induced to rate their capital at the highest point, and it would be of
 “ the greatest advantage, in such a commercial country as this, in making
 “ the transit of money as free as air.” Assessed Taxes to be given up
 only when the Property Tax exceeds them.

The plan would also meet the deserters of their country, the absentees,
 who, in spite of the arguments of Mr. M'Culloch, are draining and re-
 ducing their country. It also would permit the doing away or reduction
 of many other taxes, and leave an addition of three millions to our
 Sinking Fund.

Such a principle of taxation, continued only for ten years, would set
 the country on a rock as to her finances : as no one can doubt (peace
 being continued) that in that period, the whole debt might be reduced to

3 per cent. or under. The Property Tax might then be reduced to 5 per cent. many other taxes might be taken off, and the Sinking Fund entirely cease—a consummation devoutly to be wished! and which it only wants a proper fortitude and determination to ensure. Had our affairs been conducted and continued in the same state, and on the same principles as they were in at the end of the war, with our exclusive trade, both at home and abroad, and our Circulating Medium of paper, all these points would ere this have taken place; but the furor of legislation has been our bane, while the *laissez nous fair*, would have reversed the picture that now appals us from the daring and wilful depreciation of every class.

TO THE

LANDED INTEREST, AND THE AGRICULTURISTS.

MY LORDS AND GENTLEMEN,

I take the liberty of congratulating you and the country on the defeat of the last Corn Bill, which, if considered in all its bearings, must flash conviction upon all, that the abandonment of the measure was an event so singularly brought about, as to be placed beyond the limits of mere accidental occurrence, and bears the certain stamp of that superintending intelligence and power, which has so often upheld our country. It was a measure that must have passed, with all its imperfections, weak, demoralising, and ruinous as it was, had the Earl of Liverpool been continued in health, and would have inflicted such a death-blow to the best hopes of the empire as it never before has experienced. Let us then rejoice, that the Duke of Wellington was (even contrary to his own intention) again made the instrument of protecting his country, perhaps to as great an extent as at the battle of Waterloo.

If my address to you, last year, tended in any degree to effect the glorious deed, it would give me a pleasure I cannot express; and in the hope that it might do so, I am induced to repeat it, for we are informed, that the enemy is again to take the field, and that the ruinous and desponding state of the Agriculturists, produced by that cruel and most unjust measure of admitting Bonded Corn, has not induced him to abandon his attack.

Seven years ago, I endeavoured to call your attention to the system of depreciation pursued by the Capitalists, for their own interest, and to their attack on the Circulating Medium, and the Usury Laws, and to what Mr. Baring, their leader and the head, declared in the House of Commons, viz. :—"The Landed Interest must be reduced, and I will "sound the tocsin of alarm, if any thing is done to protect it." Under this text, the Capitalists have ever since proceeded.

Mr. Ricardo, another great Capitalist, writes on Agriculture, and thinks, with many others, the sweeping away ten thousand proprietors of poor land, and one hundred thousand of its cultivators, a small consideration. If poor land is to be thrown out of cultivation, where are we to

stop? For poor is a relative term, and every year the evil must increase; and taxed as this country is, it is the height of delusion to talk of the advantage of going to the cheapest foreign market for articles we ourselves produce—for then how could the fifty millions of taxes be raised, when the nation is involved in ruin for the benefit of foreigners?

Mr. Ricardo also says,

1.—“There is no other way of keeping profits up, but by keeping wages down; high wages cannot exist with high profits.”—This is contrary to fact, and every practical opinion, for high wages do, ought, and always will accompany high profits.

2.—“That the duty on imported Corn, should *decrease* with the advance in price.”—This, I contend, is contrary to sound reasoning, and is *for the benefit of foreign farmers, and the dealers in imported Corn only*; for if they can afford to pay 24s. when the price is 60s. they can more easily pay it at 70s. and such principle must tend to the ruin of our own Agriculturists, when they are distressed by unproductive seasons, as was last year exemplified by the admission of Oats, Barley, &c. at so low a duty, upon so ruinous and deficient a crop; and that at 70s. with a duty of 24s. the foreign farmer would receive an advantage, more than sufficient to induce him to send in a larger quantity of Corn when this country might want it, and a profit three times as great as our own farmers would get by the advance.

3.—“That every tax imposed on raw produce, falls ultimately on the consumer.”—If a tax be levied on the whole consumed, this is true; but as applicable to imported Corn, it is not true. The price of corn in our market, when open for importation, always governs the price at the exporting towns on the Continent; therefore, a tax on imported Corn, which in quantity has seldom or never exceeded one-fifteenth of our consumption, would only fall on the foreign sellers of it, and cannot affect the general price, which is fixed and regulated by the fourteen-fifteenths raised in this country, *which is not taxed*. I beg your particular attention to these most important points, as I have never seen them advocated, but by myself; and if they are not considered, ruin to our farmers must ensue, for the present plan, though a protection against a low price, provides no security in seasons of scarcity, when it is most wanted. To talk of preventing variations in the price of an article when the supply is dictated by the decrees of Providence is vain. As the whole nation partake of the blessing of an abundant crop, so ought they to

feel the infliction of a short one, and not cast it on one class, the farmers, which the present intentions must do. Had the Ministers, instead of following these erroneous opinions of Mr. Ricardo, agreed with him in his declarations, that "nothing contributes so much to the happiness and prosperity of a country, as high profits," as well as that the Bank should be restricted to the obligation of "the payment only in bullion," we should have avoided the discussions on the depreciating system they are now following.

Then comes the greatest of all the Doctors,

Mr. M'Culloch. But having discussed the opinions of his principal, Mr. Ricardo, I have only space to say of him, look at his elaborate treatise on absentecism, and, perhaps, you may think I am not far from the mark, when I presume it was dictated by some arch Jesuit sitting at his elbow, who flattering himself on the restoration of the Catholics to power, and thence to pre-eminence, was preparing the public mind to believe, that sending a million or two a year in Peter's Pence, to be spent at Rome, by the Pope, was of as much benefit to the country, as if it had been spent here in the useful employment of our poor.

Mr. M'Culloch is also quoted by Mr. Horton, as approving of his scheme of Emigration. It is surprising such great Doctors cannot hit upon some plan to rid us of our ineffective paupers, instead of the strong, the healthy, the active, and the productive: I fear Emigration, like cheap bread, is only a tub thrown out to the whale, and shews to conviction, the folly of that system that sends money out of this country to employ foreign labourers, while our own are starving. The profitable employment of the people constitutes the wealth and prosperity of a nation. No equivalent can be found for the deprivation or diminution of such employment; and it is only the profitable employment of the people that can increase consumption. And yet it is wished to send out one million of people—a million is a word so often in our mouths, we think nothing of it; but when it is considered, that it will take 5,000 ships to transport them, and at an expense of twenty millions of money, and that the dose must be repeated every ten years—we may surely exclaim, here is economy and retrenchment with a witness!

I pass over the ignorant, mischievous, and insulting declarations exhibited at Common Halls, and Town Meetings, and displayed by the whole of the radical press, who are in arms against *you*; but the abettors and instigators of Ministers, and I will only mention one amongst your

injudicious friends, who have allowed, that 64s. now, is equal to a remunerating price of 80s. when the law was enacted, which I do not believe, and which it would be difficult for them to prove ; and I am certain, that 70s. is nearer the truth.

Mr. Whitmore has published, that “he objects to the circulating medium “ of paper, as having produced an increase of population, an augmentation “ of manufactures, and an increase of wealth ; that our country is “ *naturally* an importing one ; that our own over-production of Corn “ is the cause of distress, and as a cure for it, proposes the importation “ of foreign Corn :” and also proposed, that notes should not pass for a less sum than 10/. instead of 5/. not having, as I believe, the least conception, that such an alteration would add 500,000/. to the three millions per annum which the present law will cost the country, if it is extended to Scotland and Ireland, besides the incalculable loss that will be sustained by the want of capital for the employment of labour. Yet on this subject, the Editor of the Courier can most sapiently ask, “ why cannot Country “ Bankers discount bills with sovereigns, as well as with their own notes ?” That is, why cannot they lend as many sovereigns as sixpences.

These, and others of the same stamp, are the sources whence our Governors have drawn their information. I will now shew you the result ; but in doing this, permit me to declare, that I yield to no one in believing their intentions to be most upright ; but an honest intention is no excuse for measures pernicious to our country.

Mr. Peel, as an inducement to permit the sale of Wheat in Bond, said, “ as all other classes were suffering from depression, it was only just “ that the Agriculturists should bear their share,” let us all be unhappy together. But in the alarm which dictated it, he overlooked how unjustly he oppressed you, by the admission of Bonded Corn, and inflicted ten times the amount that could have been levied upon you, as your share for the benefit to the starving manufacturers. And the result is, that you are equally or more distressed than they.

Mr. Robinson, on Free Trade, said, “ he never asked the opinion of “ any one on the subject, who did not say, your plan is excellent as “ regards others ; but you must not, on any account, touch my branch, “ it cannot possibly bear it. He, therefore, concluded, Free Trade must “ be good for all ;” surely a most impotent conclusion, grounded on the ignorance and folly, rather than the knowledge and experience of those he enquired of. So for the cure of our overstocked markets, in corn,

wool, iron, silks, and gloves, we are to admit those of foreigners. A nation cannot want from others what it already possesses, or can produce, nor can there be a reciprocity of benefits, when the people of either party are deprived of profitable employment, as such employment is the wealth of all States.

Mr. Canning, some time since declared, "that Political Economy had "never been studied by him—by education and habit he was averse from "it." Oh! that the country could have had his talents in this case, as they have been exerted in exposing the folly of Reformists, how then would the advocates of Free Trade have sunk before him! But, he, alas! consented to learn wisdom from these Reformists, not being aware to what a pitch of imprudence they would lead him, when they had him in their toils. In defence of the propositions, he adverts to the Edinburgh Review, which in a late number stated, that a saving of 19 millions per annum would be effected, by corn being lowered 8s. per quarter. It cannot surely be any thing but a determination per *fas et nefas*, to deceive and madden the poor, that could have given utterance to so barefaced and revolutionary a falsehood. What, take 19 millions from our farmers, and give it to the public, and the whole is saved to the country! Such preposterous ravings ought only to find their reward in contempt and the tread mill. * And the writer has this alternative to confess, he stated, what he knew to be false, or that he is a driveller. And a late number of the Monthly, its twin brother on these subjects, says, "If it be true, as is contended, "that the fields and granaries of "the North would be able to bear down all competition in the English "market, in the name of justice let it be so." Could revolutionary insanity go farther than this, converting this fair country into a sterile promontory? But,

Mr. Huskisson, the grand magician of the whole, argues, your old laws and systems have enabled you to spend one thousand millions in war, and another thousand millions in all the arts of peace, raising your country in arms, in arts, and in riches, to be the envy, the wonder, and admiration of the world. But you are quite mistaken: by a wave of my wand, I will shew you, you are proceeding in error. *Depreciation* must be the order of the day—by free trade, with the help of cheap bread and low wages, we will bring in what we do not want—we will enrich our enemies with

* See page 12 as an answer to such reasoning.

our wealth—an *equitable adjustment* will reduce, or a sponge will then easily blot out the Fund-holders, and when I have effected my object, and thus reduced the whole country to a state of poverty and wretchedness, how happy and prosperous we shall be, and there is no honour or riches that the Prussians and Poles will have to bestow, which I shall not deserve from them! What is your Navigation Act, or your Shipping Interest to me?—away with them.

And shall Britons be so senseless and infatuated as to abrogate those very laws to the efficacy and salutary operation of which they owe all their prosperity and pre-eminence?

And will you, my Lords and Gentlemen, sit tamely by, and suffer yourselves to be thus depreciated for the benefit of foreigners?

I shall now discuss the new propositions. Averages which have been so often and justly complained of, are to be altered from quarterly to weekly ones, converting our Corn Market into a furious Arena, where we shall have gambling in perfection, for the benefit of the large Dealers in foreign Corn, who have instigated this measure; as an alteration, which they can easily effect of 1s. in price, is 3s. on imported Corn (is 8 per Cent. profit on their capital), an inducement sufficient for tricks of all sorts.

“The duty is made to *decrease*, with the *advance in price*.”

I hope what I have said in the remarks on Mr. Ricardo, has convinced you of the truth of the principles I wish to establish, *that the duty on foreign Corn, ought to increase with the price*, that it must fall on the Sellers of it, who obtain the best price they can for it, without reference to the cost; that the Importers can more easily pay the duty on high than low prices; that it is absolutely necessary to protect our Farmers, as by the infliction of bad harvests, or unproductive seasons, they may be unable to sell their Wheat for 70s. Yet to their utter ruin, at that price foreigners are to come in at a duty of only 1s.

When the Manufacturers are distressed, arising it may be from imprudence, Mr. Peel calls upon you to assist them; but when the Agriculturists are distressed *by the infliction of Providence*, Mr. Canning's propositions doubles the infliction, even to ruin, by admitting foreign Wheat at a duty of only 1s. There are no terms strong enough to express my surprise at such an outrage on justice and common sense; and when Mr. Canning says, the country would not bear a high duty on a high price—I reply, such an assertion has its origin in fear and alarm

caused by the Lancashire riots, and libels the people of England, who have good sense enough to discriminate the cause of affliction, and they know they must, and will, with resignation, bear those of Providence, which they did last year under the heavy infliction in the dearth of Hay and Straw (Hay at £10. and Straw at £5. per ton), especially if they are made to understand what is the truth, that the duty is paid by, and must fall on foreigners, and cannot affect the price to them ; and that the duty, however large, or whatever it may produce, will be applied for their benefit.

The other points I wish to establish are—

“ That Manufacturers must suffer by the depression of their best customer, the Landed Interest.”

They begin now to find, by asking for cheap bread, they are cutting their own throats ; and they feel that the home trade is in the depth of despair, for want of their Agricultural customers.

“ That cheap bread must induce a reduction of wages.”

Though the Manufacturers allow this is their aim, still the Operatives and Artisans are such dupes as to join in the cry, while their interest should lead them to say, give us high profits and high wages, and a fig for the price of bread. The only beneficial way of lowering prices, is not by reducing profits, but by giving the facilities of capital, machinery, canals, rail roads, &c. and by reducing taxation ; and 10s. per quarter on Wheat makes only a difference of 4d. per piece of Calico of thirty yards, or the same per cwt. on Bar Iron.

“ That the taxes necessary for the well-being of the country cannot be raised, but under a system of high wages and high profits.”

This is exemplified by the present state of our finances.

“ That the price in our market is fixed by our own production.”

“ That the produce of the country, in average years, is fully equal to the consumption.”

“ That a supply greater than the demand must produce ruin to foreign and all other traders.” And

“ That the allowing of importation is *ruinous*, if not restricted to seasons of scarcity, and to quantity,” and tends silently though certainly, to the great deterioration of the country by the depression of its Agriculture.

I recommend, therefore, petitions to Parliament, praying that the propositions may not be enacted ; and if the present law is altered, it may

be by fixing 70s. as the price at which foreign Corn may be admitted, on a duty of 24s. and restricting the quantity to that which shall then be in the warehouses in this country, by which every disadvantage of a glut would be prevented. And this I believe to be the very best system that can be followed. Or by a fixed duty of 30s. to do away with the averages and the great gambling and trickery which the variations in the duty must occasion.

MY LORDS AND GENTLEMEN,

If I have thus dared to call in question the judgment of so many eminent persons, it is under the full impression of the importance of my opinions; and though I give them every honour, where honour is due, I cannot sit quiet under the strong feeling of duty, to expose those errors by which I think they have, and are depreciating their country.

I have the honour to be,

My Lords and Gentlemen,

With great respect, your obedient servant,

JOHN WRIGHT.

Lenton Hall, near Nottingham, March 6, 1828.



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